

**DECISION**



**THE COMPTROLLER GENERAL  
OF THE UNITED STATES**  
WASHINGTON, D.C. 20548

**FILE:** B-222703

**DATE:** June 25, 1986

**MATTER OF:** Surface Alloys Corporation

**DIGEST:**

Since a lease is a type of sale, not a procurement of property, and the Competition in Contracting Act of 1984 only authorizes GAO to review protests pertaining to procurements of property or services by a federal agency, protest concerning the proposed lease of government-owned equipment will not be considered.

Surface Alloys Corporation protests the intended lease by the Department of the Navy to Spire Corporation of an ion implanter, government-owned equipment purchased in connection with Spire's performance of work under an existing research and development contract. Surface Alloys contends that the possible rent-free lease of the implanter will afford Spire an unfair competitive advantage over Surface Alloys in the commercial marketplace, and therefore asks that the implanter either be leased at fair market value, or not be leased at all. We dismiss the protest.

Under the Competition in Contracting Act of 1984 (CICA), 31 U.S.C. § 3551 (Supp. II 1984), our Office is authorized to review protests concerning proposed contracts for the "procurement of property or services" by a federal agency. Surface Alloy's protest concerns a proposed lease of a piece of equipment owned by the government and, thus, does not involve a procurement of property or services by the government within the meaning of CICA. See generally, William Everett, B-220400, Nov. 1, 1985, 85-2 C.P.D. ¶ 507. Consequently, we have no basis on which to review Surface Alloys' objection to the Navy's intention to enter into a lease with Spire or the terms of the intended lease.

Even if our Office reviewed lease arrangements such as the one proposed here, Surface Alloys has not raised a protest basis cognizable by our Office. Specifically, we are aware of no law or regulation (and Surface Alloys cites

035979

none) which prohibits the leasing of government-owned equipment on the ground that the lessee thereby may obtain a competitive advantage in the commercial marketplace.

The protest is dismissed.

A handwritten signature in black ink, appearing to read 'R. Strong', is positioned above the printed name.

Robert M. Strong  
Deputy Associate General Counsel